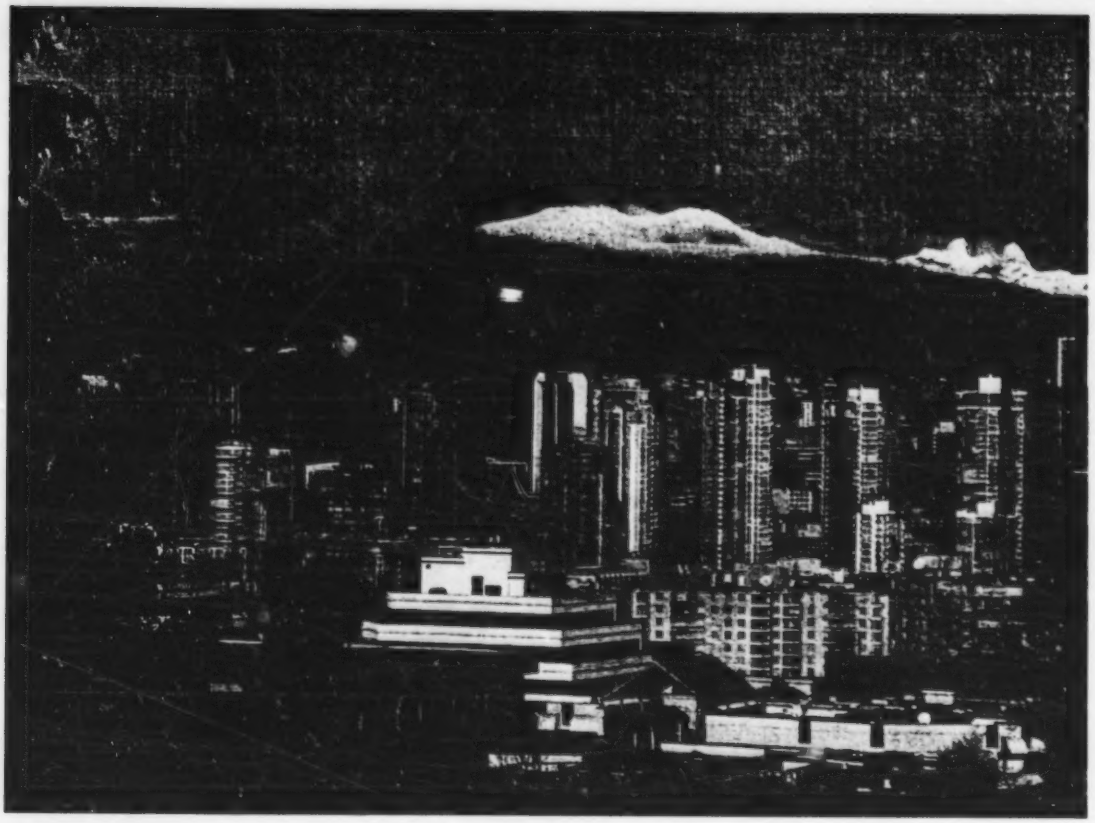

CITY OF VANCOUVER

BRITISH COLUMBIA

ANNUAL FINANCIAL REPORT

2001

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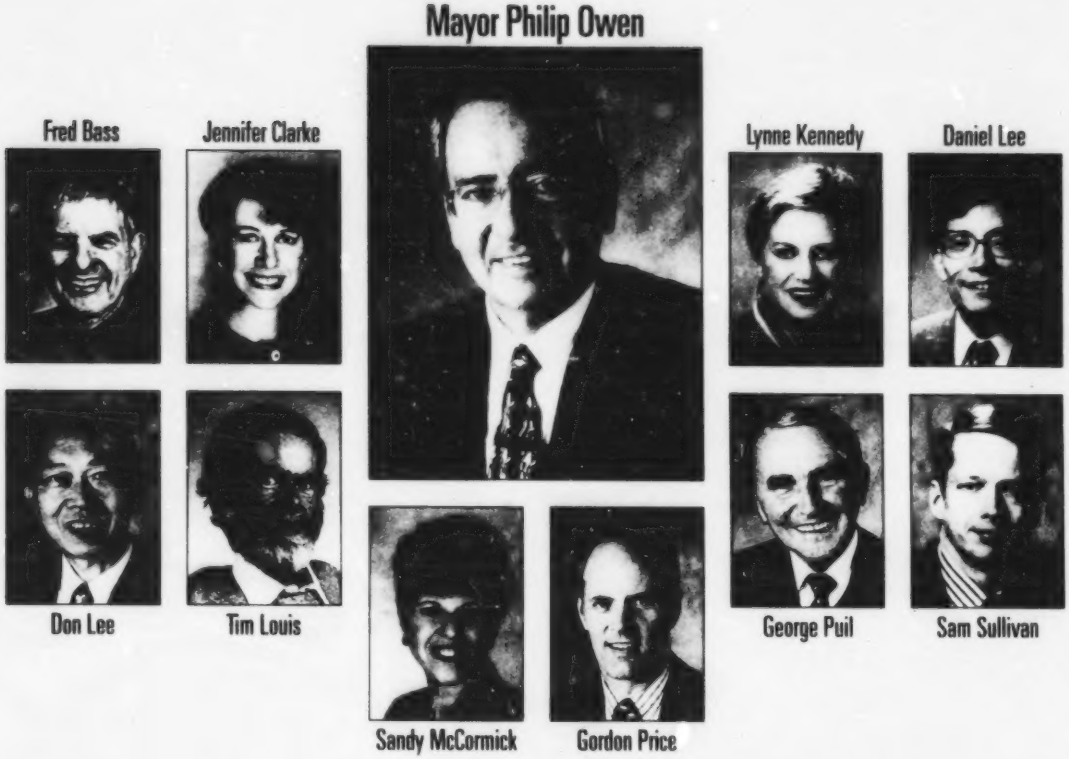
MAYOR AND COUNCILLORS
As at December 31, 2001



OFFICIALS

Corporate Management Team

City Manager	J. Rogers, M.P.A.
Deputy City Manager	B. MacGregor, P. Eng.
Chief Constable	T. Blythe
Director of Legal Services	F. Connell, LL.B
Acting Director of Vancouver Public Library	E. Smith, C.A.
General Manager of Community Services	J. Forbes-Roberts
General Manager of Corporate Services	E. Lo, B. Comm, M.B.A., C.M.A.
General Manager of Engineering Services	D. Rudberg, P. Eng.
General Manager of Fire and Rescue Services	R. Holdgate
General Manager of Human Resource Services	M. Zora, B.Comm.
General Manager of Parks and Recreation	S.J. Mundick, B.R.I.S., R.D.M.R.

Financial Services

Director of Finance	E. Lo, B. Comm, M.B.A., C.M.A.
Director of Financial Services	T. Corrigan, C.A., M.P.A.
Director of Financial Planning and Treasury	K.B. Bayne, B.A., M.Sc. (Bus.)
Manager of Accounting Services	E. Lee, B. Comm, C.A.
Manager of Budgets	A. Klein, M.B.A.
City Treasurer and Collector	G. Merchant, M.B.A.

City Clerk — S. Baxter

City Auditors
KPMG LLP, Chartered Accountants

Bankers
Bank of Montreal

Fiscal Agent - Worldwide
RBC Dominion Securities Inc.

Fiscal Agents for Certain Functions
Relating to Eurobond Issues
Royal Bank of Canada, London

Relating to Book Entry Only Issues
Canadian Depository for Securities Ltd.

BOARDS

Vancouver Public Library Board

Acting Director – E. Smith

B. Qualey - Chair

J. Buckberrough - Vice Chair

D. Fulton - Chair of Finance, Operations & Planning Committees

D. Scott - Chair of Human Resource Committee

S. Warren - Chair of Marketing, Development & Communications Committees

Councillor Don Lee - Council Liaison

L. Armstrong
B. Brown
J. Butterfield
W. Peters
C. Richardson
M. Seidel
D.Shumka

Vancouver Police Board

T. Blythe - Chief Constable

Mayor P. Owen - Chair

K. Bagshaw
S. Bauman
A. Black
J. Lynn
G. Maxwell
F. Wong

Vancouver Civic Theatres Board

Director - R. Ackerman

Directors Emeritus - H. Pickett and N. Young

A. Jones - Chair

E. Ball -Vice Chair

Councillor G. Puil - Council Liaison

R. Gatto
D. Lam
B. McLean
J. Plul

Board of Parks and Recreation

General Manager - S. Mundick

C. Hansen - Chair

A. De Genova - Vice Chair

R. Casells
D. Ledingham
L. McDiarmid
C. Richardson
D. Wilson

Board of School Trustees for School District No. 39 (Vancouver)

Superintendent of Schools – D. Goodridge

Secretary-Treasurer – D. Yuen

B. Buchanan - Chair

T. Hunt – Vice- Chair

A. Blakely
B. Brown
J. Cheng
K. Denike
A. Montani
DA. Wong
B. Yuen

ANNUAL FINANCIAL STATEMENTS
CITY OF VANCOUVER
BRITISH COLUMBIA, CANADA

2001

102-05673/

REPORT OF THE DIRECTOR OF FINANCE

City Hall, Vancouver
April 30, 2002

Mayor P. Owen and
Members of Council

It is my pleasure to submit the Consolidated Financial Statements for the City of Vancouver for the year ended December 31, 2001. These financial statements include the financial position and results of operations of the City, all its boards and the City's owned/controlled corporations.

Reporting Changes

In 2000, the City started to apply the Public Sector Accounting Board (PSAB) standards to the financial statements. The PSAB standards are national accounting and reporting principles established by the Canadian Institute of Chartered Accountants to bring consistency of financial reporting across all Canadian senior and local governments. The benefit to the City of adopting these standards is that it facilitates meaningful comparisons of the City's financial position to other Canadian municipalities.

In 2001, the City has made further enhancements to the financial statements:

1. Budget Presentation

   Budget figures are presented on the Revenue Fund Schedule of Financial Activities to provide for comparisons between planned and actual results of operations. The budget approved by Council has been restated to conform to the PSAB standards.

2. Accrual of Revenue for Property Owners' Share of Local Improvement Projects

   Revenue for the property owners' share of local improvement projects is accrued at the completion of the project. Previously, revenue for the property owners' share was recognized when the local improvement levies were collected. A retroactive adjustment was made which has improved the financial position of the Capital Fund by $21.5 million.

3. Accrual of Unbilled Water and Sewer Consumption

   Revenues for the year include an accrual for estimated unbilled consumption at year end. Previously, these revenues were only recognized at the time of billing. The accrual resulted in a $5.1 million increase in revenue which is transferred to the Utility Rate Stabilization Reserve. This $5.1 million increase is a combination of a $3.4 million retroactive adjustment in water billing and a $1.7 million accrual of 2001 unbilled sewer and water consumption.

In 2002, the City intends to make a major change to the financial statements by converting the Property Endowment Fund to PSAB standards. Under PSAB standards, property acquisitions will be reported as capital expenditures in the Statement of Financial Activities with a corresponding increase in Equity in Capital Assets.

2001 Financial Highlights

The City continued to maintain a strong financial position in 2001:

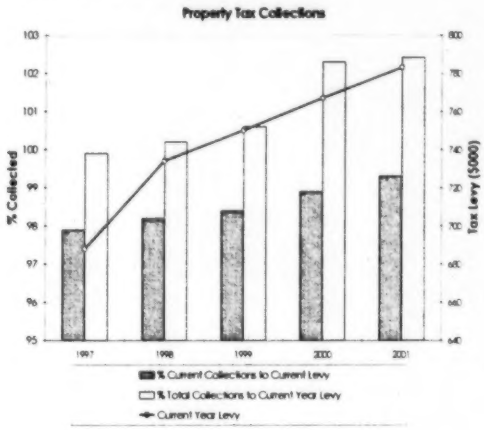
1. Cash position of the City, including temporary investments, remained strong at $330.7 million. This is a 22.6% increase compared to the $269.6 million in 2000 and is mainly due to a cash infusion from a debenture that was issued in 2001.
2. There was one City of Vancouver debenture issue in February 2001 to finance the City's capital program. The debenture has a 10-year term with a low yield of 5.966%. The issue was well timed and well received by both the institutional and retail investors.

3. The City kept expenditures within the budget ending the year with an operating surplus of $0.8 million. This brings the total Revenue Fund surplus to $7.5 million, an 11.1% increase compared to the $6.8 million in 2000.
4. Expenditures on capital works totalled $110.9 million compared to the $135.9 million in 2000. The 2000 capital expenditures were higher due to a number of one-time significant expenditures such as purchase of a police building and the Vancouver Emergency Operation Centre totalling approximately $15 million.
5. Reserves set aside for specific purposes by Council increased during 2001 by $19.1 million to $182.3 million. Reasons for the increase are identified in the 'Reserves' section below.

Property Tax Receivable

Tax collections continue to improve. The collection of 2001 property taxes, including those amounts raised for other taxing authorities, amounted to $763.3 million, or 99.31% of the total property taxes levied. During the year, the City collected $23.9 million (62.6%) of the $38.2 million property tax outstanding at the beginning of 2001.

Taxes outstanding, after provision for uncollectible taxes of $3.0 million, totalled $35.4 million, a decrease of $0.4 million from 2000.



2001

Revenue Fund

The Revenue Fund accounts for the general operations for the City. Spending authority and control for the fund are provided by Council through the annual operating budget process.

Revenues for the year totalled $711.2 million and expenditures, debt repayments and transfers amounted to $710.4 million, resulting in a revenue fund surplus of $.8 million. The total fund balance of the Revenue Fund currently stands at $7.5 million.

Changes from 2000 Operating Results

City Council approved a 3.0% increase in the property tax levy in 2001. With taxes from new construction value added to the assessment roll, the property tax revenue increased by $15.8 million or 4.4% over 2000. This increase was offset by the transfer of $13.0 million in tax-supported sewer costs to a user fee, completing implementation of fees for sanitary sewer purposes begun in 2000.

Other significant changes in revenue included:

- Reduction in transfers from the provincial government related to revenue sharing programs of $3.2 million.
- An increase in Service and Inspection fee revenue of $2.3 million or 13.5% as a result of increased activity in the development and building industry.
- An increase in income from short term investments of $2.5 million or 18% as a result of an increase in cash balances and effective investment strategies.
- An increase of $1.4 million or 5.8% in revenues from the Street Parking Program.
- Reduction of surplus transferred from the Sinking Fund of $1.0 million or 25%.

Changes in expenditures from 2000 to 2001 were distorted by a seven-week work stoppage in the fall of 2000 that reduced departmental expenditures. The subsequent settlement of the collective agreements was the single most significant factor in the increase in expenditures in 2001, adding approximately $11 million. Other areas of increased expenditure include: the addition of 50 new sworn officers in the Police Department; planned increase in the E-Comm charges for emergency radio and dispatch services and the cost of new programs and services arising from the capital program. Costs related to the City's debenture program declined as a result of maturities in the debentures for water and sewer utilities.

Capital Fund

The Capital Fund accounts for the City's capital expenditures or programs supporting civic infrastructure as well as the related financing. It also holds all properties required for civic use and the related long term debt. Spending authority and control are provided through the annual Capital Budget and the Three Year Capital Plan approved by Council.

The Capital Fund ended the year with unfunded capital expenditures of $91.0 million which has been financed on an interim basis by the Capital Financing Fund and the Property Endowment Fund. This amount will be repaid with interest from future operating savings, additional fees and service charges a within the existing property taxation level provided in the Operating Budget.

At the year end, approximately $50.1 million of general borrowing authority and $74.6 million of sewer and water borrowing authority had not been exercised by Council through issuance of debentures.

The total debt outstanding at December 31, 2001 was $510.9 million, $333.9 million of which was held externally. The balance of $177.0 million was held by the Sinking Fund, the Capital Financing Fund and the Property Endowment Fund. Of this internally held debt, $20.9 million is to be recovered from individual property owners through local improvement charges. All the debt is payable in Canadian dollars.

During 2001, the City spent $110.9 million on capital works. Capital expenditures range from maintenance and improvements to roads, streets, sewers and water distribution systems to fire protection and parks and recreation facilities. Some of the major spending in 2001 included $28.1 million on streets and traffic and safety; $23.1 million on main sewer construction and pollution abatement; $24.4 million on water works system which includes $9.4 million on the dedicated fire protection system and $12.6 million on park and community centre development.

Sinking Fund

The Sinking Fund is a statutory requirement of the Vancouver Charter and provides for the retirement of the City's sinking fund debentures. The accumulation of annual installments generated from tax levies, together with interest earned, provide for retirement of principal at maturity. The Sinking Fund actuarial reserve for debt retirement at December 31, 2001 was $154.4 million. Approximately $91.7 million relates to internally held debt.

Surplus funds over and above those required to meet future debt maturities are transferred back to the Revenue Fund. During 2001, the transfer was $3.3 million.

At the year end, the Sinking Fund held $122.7 million of the City's $177.0 million internally held debentures. The Property Endowment Fund and the Capital Financing Fund held the balance.

Property Endowment Fund (PEF)

The Property Endowment Fund accounts for real estate properties not required for civic purposes including non-market housing sites and parking garages. The Fund is also a source of internal financing for civic projects. All purchases, sales and transfers require Council approval.

During 2001, $7 million of the net revenue from operations was transferred to the Revenue Fund to support general operations.

In 2001, the Property Endowment Fund spent $32.3 million on capital assets. Of this amount $5.2 million was spent on parking structures financed from the parking sites reserve. Another $14.9 million was spent to acquire sites for non-market housing development. The sites acquired for non-market housing are then leased to a non-market housing society for a term of 60 years for a prepaid lease of 75% of the acquisition cost.

By the end of the year, the PEF had advanced $23.0 million to the Capital Fund to fund specific capital projects and held $5 million of the City's internally held debentures.

Capital Financing Fund (CFF)

The CFF provides funds for the purchase of City of Vancouver debentures, the financing of capital works and the City's solid waste program. Spending authority and control are provided by Council through specific authority.

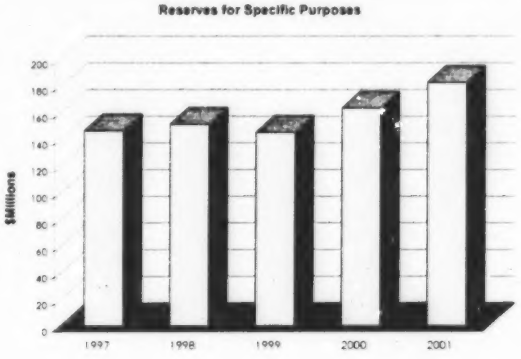
By the end of the year, the CFF had advanced $75.5 million to the Capital Fund to finance specific capital projects and held $49.3 million of the City's internally held debentures.

Reserves

These are reserves established by Council resolution and legislative authority for specific purposes.

At the end of 2001, total reserves were $245.0 million made up of $62.7 million of Sinking Fund Provision for external Debt Retirement and $182.3 million of reserves set aside for other purposes. The $182.3 million of reserves represents an increase of $19.1 million over 2000.

The most significant changes were:



- The Sewer and Water Utility Rate Stabilization Reserves increased by $7.3 million as a result of surpluses from operations. Approximately $5.1 million was related to the change in accounting policy to accrue the estimated unbilled consumption at the year end.
- The Solid Waste Capital Reserve increased by $3.9 million to $43.2 million as a result of surpluses from operations. This reserve is intended to fund landfill site development as well as closure and post- closure costs.
- The Plant and Equipment Reserve increased by $2.8 million. This reserve funds the long term equipment replacement plan.
- Community Amenities Reserve increased by $2.4 million due to Community Amenities Contributions received in 2001.
- A contribution has been made to the reserves of $3.5 million to provide for future payment of accrued payroll obligations.

Conclusion

The City of Vancouver has continued to maintain a strong financial position going into 2002. The financial strength of the City reflects the careful attention given by both Council and City staff to prudent financial management.

Respectfully submitted,

Estelle Lo
Director of Finance

KPMG LLP
Chartered Accountants
Box 10426, 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Telefax (604) 691-3031
www.kpmg.ca

AUDITORS' REPORT TO THE MAYOR AND COUNCILLORS OF THE CITY OF VANCOUVER

We have audited the consolidated statement of financial position of the City of Vancouver (the "City") as at December 31, 2001 and the consolidated statements of financial activities and cash flows for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Vancouver Charter, we report that, in our opinion, these principles have been applied, after giving retroactive effect to the changes in accounting policy described in note 2 to the consolidated financial statements, on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Accountants

Vancouver, Canada

April 12, 2002

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association.

CITY OF VANCOUVER
Consolidated Statement of Financial Position
As at December 31, 2001
($000s)

	2001	2000 Restated Note 2
FINANCIAL ASSETS		
Cash	$ 141,078	$ 86,004
Temporary investments	189,624	183,553
Accounts receivable and accrued interest (Note 3)	46,553	50,494
Local improvement receivable	19,719	20,893
Property taxes receivable	35,370	35,784
Lease agreement receivable	63,673	63,884
	496,017	440,612
PHYSICAL ASSETS		
Inventory	10,704	10,989
Capital assets (Note 5)	6,114,665	5,928,978
	6,125,369	5,939,967
	$ 6,621,386	$ 6,380,579
LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	$ 140,840	$ 140,007
Mortgage and loan agreements (Note 8(f))	71,958	73,352
Long term debt (Note11)	333,933	307,258
Deferred income	166,901	154,521
	713,632	675,138
MUNICIPAL EQUITY		
Equity in capital assets (Note 6)	5,277,611	5,147,822
Reserves (Note 9)	182,314	163,242
Actuarial reserve for debt retirement	62,680	80,772
Fund balances (Note 4)	434,368	362,593
Obligations to be funded from future revenues (Note 7)	(49,219)	(48,988)
	5,907,754	5,705,441
	$ 6,621,386	$ 6,380,579

Contingencies and commitments (Note 8)
Subsequent events (Note 13)
See accompanying Notes to Consolidated Financial Statements

CITY OF VANCOUVER
Consolidated Statement of Financial Activities
Year Ended December 31, 2001
($000s)

	2001	2000 Restated Note 2
REVENUES		
Property taxes, penalties and interest	$ 413,610	$ 409,200
Water fees	56,487	54,647
Solid waste fees	31,770	32,702
Sewer fees	28,831	12,717
Other fees, rates and cost recoveries	182,939	163,440
Revenue sharing, grants and contributions	11,381	12,035
Investment income	22,926	16,819
Rental and lease income	38,496	35,743
Sale of property	2,824	7,097
	789,264	744,400
EXPENDITURES		
General government	94,362	98,693
Police protection	135,104	135,687
Fire protection	71,767	70,549
Engineering	86,299	92,905
Water utility	59,482	51,523
Solid waste	29,774	27,291
Sewer utility	61,854	59,093
Planning and development	54,964	49,303
Recreation and parks	86,572	82,817
Community and cultural services	61,881	54,696
	742,059	722,557
NET REVENUES	47,205	21,843
DEBT, TRANSFERS AND OTHER		
Debt		
Principal repayments	(54,362)	(23,977)
New issues	80,000	-
Net transfers to reserves	(1,299)	(43,074)
Change in obligations to be funded from future revenues	231	57
	24,570	(66,994)
CHANGE IN FUND BALANCES	71,775	(45,151)
FUND BALANCES (Note 4)		
Beginning of year	362,593	407,744
End of year	$ 434,368	$ 362,593

See accompanying Notes to Consolidated Financial Statements

CITY OF VANCOUVER
Consolidated Statement of Cash Flows
Year Ended December 31, 2001
($000s)

	2001	2000 Restated Note 2
CASH PROVIDED BY (USED IN):		
Operations		
Net revenues	$ 47,205	$ 21,843
Change in non-cash items	20,631	22,419
	67,836	44,262
Financing		
Debt issued	80,000	-
Debt repayments	(54,362)	(23,977)
	25,638	(23,977)
Investing		
Net sale (purchase) of temporary investments	(6,071)	52,349
Property acquisitons	(32,329)	(28,322)
	(38,400)	24,027
NET INCREASE IN CASH	55,074	44,312
CASH		
Beginning of year	86,004	41,692
End of year	$ 141,078	$ 86,004

See accompanying Notes to Consolidated Financial Statements.

The City of Vancouver was incorporated in 1886 and is governed by the Vancouver Charter, a private bill consented to by the Legislative Assembly of the Province of British Columbia.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The consolidated financial statements of the City have been prepared, in all material respects, in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants, and the variation therefrom, as reported in accounting policy note 1(g)(ii). This variation has been reported to the Inspector of Municipalities for the Ministry of Community, Aboriginal and Women's Services of the Province of British Columbia.

Changes in accounting policy, including those required to conform to PSAB recommendations, have been applied retroactively. Prior years' comparative figures have been restated to give effect to the changes in accounting policy and are disclosed in Note 2.

(b) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, and changes in fund balances of all funds of the reporting entity. The reporting entity is comprised of all the organizations that are accountable for the administration of their financial affairs and resources to Council and that are owned or controlled by the City. Inter-fund and inter-corporate balances and transactions have been eliminated. The entities included are as follows:

Outside Boards	Owned/Controlled Corporations
Parks & Recreation	Harbour Park Development Ltd.
Vancouver Public Library	City of Vancouver Public Housing Corporation
Vancouver Police	Vancouver Civic Development Corporation
Vancouver Civic Theatres	Hastings Institute Inc.
	Parking Corporation of Vancouver

Also included in these statements are certain assets owned by the City that are under the control and management of the following organizations:

Vancouver Art Gallery	H.R. MacMillan Space Centre
Vancouver Museum	Vancouver Maritime Museum

(c) Fund Accounting

The resources and operations of the reporting entity are comprised of the funds listed below. Supporting schedules to the consolidated financial statements are included to show the financial activities and balance of each fund.

Capital

Accounts for the financing and capital expenditures and holds all properties required for civic use and the related long term debt.

Revenue

Accounts for revenues and expenditures for the general operations of the City including sewer, solid waste and water utilities.

Property Endowment

Accounts for properties not required for civic use which are leased to third parties, or held for, or are being developed for resale or lease.

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(c) Fund Accounting (continued)

Sinking

Accounts for the accumulation of installments generated from tax levies in accordance with the actuarial requirements for the retirement of sinking fund debt at maturity.

Capital Financing

Accounts for funds designated for the financing of capital works, for the acquisition of the City's debentures and for funds set aside for the City's solid waste disposal program.

(d) Cash and Temporary Investments

Cash includes short-term investments, recorded at cost, with maturity dates within 90 days of acquisition. Temporary investments are recorded at cost, which approximates market value, and are comprised of money market instruments, term deposits and bonds with maturity dates greater than 90 days after acquisition.

(e) Trust Funds

Certain assets have been conveyed or assigned to the City to be administered as directed by agreement or statute. The City holds the assets for the benefit of, and stands in a fiduciary relationship to, the beneficiary. The trust funds are excluded from the financial statements and are disclosed in Note 10.

(f) Basis of Accounting

(i) Revenues are recorded in the period in which the transactions or events occurred that gave rise to the revenues. Amounts that have been received in advance are considered deferred revenue until the City discharges the obligations that led to the collection of funds.

(ii) Expenditures, including transfer payments where no value is received directly in return, are recorded in the period in which the goods or services are acquired and a liability is incurred or transfers are due.

(iii) Inventory of supplies and materials are valued at cost with allowances made for obsolete stock. Cost is determined on a moving average basis.

(iv) The preparation of periodic financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenditures during the reporting period. Actual results will depend on future economic events and could differ from the estimates. Adjustments, if any, will be reflected in the period of settlement.

(g) Capital Assets

(i) Capital Fund (for civic use)

Capital assets purchased or constructed and work-in-progress are reported as capital expenditures in the period they are acquired. Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the related capital costs.

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(g) Capital Assets - continued

(i) Capital Fund (for civic use) -continued

Capital assets are recorded in the capital fund on the following basis:

Land - At 'actual' value for assessment purposes as determined annually by the B.C. Assessment Authority. Crown land properties beneficially owned by the City are recorded at assessed value.

Waterworks and engineering assets – At cost less accumulated depreciation. Depreciation is provided at varying rates determined by the City Engineer and is reflected as a reduction in the City's equity in capital assets.

Buildings - at cost.

Plant and equipment - at cost.

Artworks and artifacts - at estimated and/or insured values.

(ii) Property Endowment Fund (for sale or lease)

Capital assets acquired by the fund are recorded at cost at the time of acquisition. Assets in this fund are held for lease, sale or development and are accounted for on a commercial basis. Under this basis of accounting, capital asset additions are not recorded as capital expenditures in the Statement of Financial Activities with a corresponding increase in equity in capital assets, contrary to the PSAB accounting recommendations.

Revenue from properties sold is recorded as revenue of the fund. Cost of sales is recorded at time of disposal.

Transfers of properties between funds with the approval of Council are completed at either original cost, market, or such other amounts as are considered appropriate. Equity in properties is adjusted for the results of these transactions.

Assets in the fund are valued as follows:

Land
At 'actual' value for assessment purposes as determined annually by the B.C. Assessment Authority. The development costs incurred are charged against equity to reflect their contribution to the increases in the 'actual' value of land.

Buildings
At cost less accumulated depreciation of $30.0 million (2000 - $27.3 million). Depreciation is charged on a 5% straight-line basis on the buildings on parking sites, and on a 5% declining balance basis on leased buildings.

Equipment
At cost less accumulated depreciation of $1.2 million (2000 - $.8 million). Depreciation is calculated on a 30% declining balance basis.

Marina
At cost less accumulated depreciation of $1.2 million (2000 - $1.1 million). Depreciation is calculated on a 5% straight-line basis.

Property subject to sale option
At option price. The land parcel is subject to purchase by the lessee at a minimum value of $8.4 million (with an initial expiry date of June 30, 2003 and options on 5-year renewals).

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(h) Reserves for Future Expenditures

Reserves are established at the discretion of Council to set aside funds for future operating and capital expenditures. Transfers to and/or from reserves are reflected as an adjustment to the respective fund.

(i) Obligations to be Funded from Future Revenues

A provision has been made for liabilities such as deferred payroll costs, landfill closure and post-closure, debenture and mortgage interest. The City provides funding in current operating budgets to meet these obligations as they come due. Details are disclosed in Note 7.

(l) Comparative Figures

Certain of the 2000 figures have been reclassified to conform with current year presentation.

2. CHANGES IN ACCOUNTING POLICY

The City adopted the following changes in accounting policy:

(a) Local Improvement Revenue

Local improvement projects are completed on a cost-sharing basis between the City and property owners. Previously, the City did not recognize the revenue for the property owners' share until it was received. In 2001, the City accrued the revenue receivable from property owners for their share of the local improvement projects at the completion of the project.

(b) Water Utility Accrued Revenue

Previously the City recorded revenue only for billed consumption as at year end. Commencing in 2001, the City accrued revenue in the water and sewer utilities for the estimated unbilled consumption as at year end. The increase in surplus is reflected in the Utility Rate Stabilization Reserve based on Council's policy that surpluses be transferred to the reserve.

(c) Interest on Internally Held Debt

Accrued interest receivable on internally held debt is eliminated on consolidation.

The above-noted changes in accounting policy have been applied retroactively and comparative figures have been restated as follows:

	Adjustments to Opening Balances	
	2001	2000
Municipal equity as previously reported	$ 5,689,921	$ 5,586,989
Increase (decrease) to opening balance for:		
Local improvement revenues	20,893	21,548
Water utility accrued revenue	3,425	3,471
Accrued interest on internally held debt	(8,798)	(9,307)
Municipal equity as restated	$ 5,705,441	$ 5,602,701

2. CHANGES IN ACCOUNTING POLICY - continued

	Adjustments to Opening Balances	
	2001	2000
Fund balances as previously reported	$ 350,498	$ 395,503
Increase (decrease) to opening balance for:		
Local improvement revenues (Capital Fund)	20,893	21,548
Accrued interest on internally held debt	(8,798)	(9,307)
Fund balances as restated	$ 362,593	$ 407,744
Reserves as previously reported	$ 159,817	$ 145,061
Increase to opening balance for:		
Water utility accrued revenue	3,425	3,471
Reserves as restated	$ 163,242	$ 148,532

3. ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

	2001	2000
		Restated Note 2
Accounts Receivable and Accrued Interest		
Accrued interest	$ 9,915	$ 9,809
Utility receivables	13,425	17,265
Employee advances	3,930	4,137
Rental and lease receivables	2,510	2,519
Trade and other receivables	19,297	18,679
	49,077	52,409
Valuation allowance	(2,524)	(1,915)
	$ 46,553	$ 50,494
Accounts Payable and Accrued Liabilities		
Payroll liabilities	$ 20,873	$ 19,235
Advance deposits and receipts	30,801	31,393
Future obligations (Note 7)	49,219	48,988
Trade and other liabilities	39,947	40,391
	$ 140,840	$ 140,007

4. FUND BALANCES

	2000 Restated Note 2	Change During Year	2001
Revenue Fund	$ 6,761	$ 753	$ 7,514
Capital Fund	(114,917)	23,957	(90,960)
Capital Financing Fund	142,255	8,675	150,930
Sinking Fund	3,334	304	3,638
Property Endowment Fund	239,289	16,409	255,698
Affordable Housing Fund	1,069	(126)	943
Land Purchase Fund	298	1,350	1,648
Harbour Park Development Ltd.	21	-	21
Vancouver Civic Development Corp.	7,351	876	8,227
Hastings Institute Inc.	49	28	77
City of Vancouver Public Housing Corporation	1,601	(80)	1,521
	287,111	52,146	339,257
Adjustment for internally-held debt on consolidation	75,482	19,629	95,111
	$ 362,593	$ 71,775	$ 434,368

5. CAPITAL ASSETS

	Capital Fund	Property Endowment Fund	2001 Total	2000 Total
Land				
- in civic use	$ 3,273,941	$ -	$ 3,273,941	$ 3,180,741
- leased	-	359,657	359,657	342,276
- for sale, lease or development	-	651,109	651,109	638,147
Buildings	375,883	37,524	413,407	401,708
Property subject to sale option	-	8,435	8,435	8,365
Leasehold interests	25,220	4,185	29,405	31,250
Engineering assets	735,486	-	735,486	711,328
Waterworks	270,504	-	270,504	255,237
Marina (land and improvements)	-	23,384	23,384	23,436
Plant and equipment (including artworks and artifacts)	330,476	1,014	331,490	318,933
	$ 5,011,510	$ 1,085,308	6,096,818	5,911,421
Land Purchase Fund (at cost)			5,388	4,875
City of Vancouver Public Housing Corporation (at cost less depreciation)			12,459	12,682
Total			$ 6,114,665	$ 5,928,978

6. EQUITY IN CAPITAL ASSETS

	2001	2000
Capital expenditures	$ 110,907	$ 135,910
Debt issued	(80,000)	-
Debt principal repayments	54,362	23,977
Disposals	(6,410)	(11,107)
Depreciation	(36,237)	(34,754)
Increase in assessed values	89,698	1,089
Capital grants	(1,449)	(736)
Lease receivable amortization	(1,082)	(982)
Change in equity in capital assets	129,789	113,397
Balance, beginning of year	5,147,822	5,034,425
Balance, end of year	$ 5,277,611	$ 5,147,822

7. OBLIGATIONS TO BE FUNDED FROM FUTURE REVENUES

	2001	2000
Sick leave gratuity and deferred vacation	$ 23,526	$ 19,403
Overtime	4,171	4,098
Accrued interest on long term debt	11,110	11,555
Landfill closure and post-closure	10,412	10,083
Payment in lieu to other taxing authorities	-	3,849
	$ 49,219	$ 48,988

(a) Landfill Closure and Post-Closure Costs

The City has agreed to certain obligations with the Ministry of Environment Lands and Parks to obtain the Operating Certificate for its landfill site. Those obligations include closure and post-closure liability. The City's estimated liability for these expenditures is recognized as the landfill site's capacity is used and the reported liability of $10.4 million (2000 - $10.1 million) represents the portion of the estimated total expenditure recognized as at December 31, 2001. This liability and annual expenditure is calculated based on the ratio of current usage to total capacity of the site and the discounted estimated future cash flows associated with closure and post-closure activities.

The reported liability is based on estimates and assumptions with respect to events extending over the remaining life of the landfill. The remaining capacity of the landfill site is estimated at 17.5 million tonnes, which is 58% of the site's total capacity. The discounted future cash flows for closure and post-closure cost is estimated at $29 million as at December 31, 2001. The landfill site is expected to reach its capacity in 2042.

In accordance with an agreement between the City and the Greater Vancouver Sewerage and Drainage District, the City is responsible for 87% of the overall liability for closure and post-closure costs. The City has provided a reserve to fund future landfill capital expenditure and waste diversion programs with a balance as at December 31, 2001 of $43.1 million (2000 - $39.2 million).

7. OBLIGATIONS TO BE FUNDED FROM FUTURE REVENUES - continued

(b) Deferred Payroll Costs

Employees of the City are entitled to accumulate earned benefits related to sick leave and may defer vacation and overtime entitlements. The accrual for overtime is valued at current dollars. Sick leave, gratuity and deferred vacation are valued based on past experience and assumptions about retirements, wage and salary increases, employee turnover and rates of return.

8. CONTINGENCIES AND COMMITMENTS

(a) Liability for Debentures Issued by Others

The City is contingently liable in respect of debentures of the Greater Vancouver Water District, the Greater Vancouver Sewerage and Drainage District and the Greater Vancouver Regional District.

(b) Collection of Taxes on Behalf of Other Taxing Authorities

The City is obligated to collect and transmit the tax levies of the following bodies. Such levies are not included in the revenues of the City.

Provincial Government – Schools
Greater Vancouver Regional District
Greater Vancouver Transportation Authority
British Columbia Assessment Authority
Municipal Finance Authority

(c) Municipal Pension Plan

The City and its employees contribute to the Municipal Pension Plan, a jointly trusted pension plan governed by the B.C. Public Sector Pension Plans Act. The pension plan is a multi-employer contributory defined benefit pension plan with about 125,000 active contributors, including approximately 26,000 contributors from over 180 local governments. Joint trusteeship was established effective April 5, 2001. The board of trustees, representing plan members and employers, is fully responsible for the management of the pension plan, including investment of the assets and administration of the plan. The British Columbia Pension Corporation provides benefit administration services and the British Columbia Investment Management Corporation provides investment management services for the pension plan.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2000 indicates a surplus of $436 million, an improved position of 9% surplus of covered payroll from a 14% unfunded liability of covered payroll as at the previous valuation of December 1997. The Joint Trust Agreement specifies how surplus assets can be used. The actuary does not attribute portions of the surplus to individual employers. Each employer expenses contributions to the plan in the year in which payments are made.

(d) Contingent Legal Liabilities

As at December 31, 2001, there were various legal claims pending against the City arising in the ordinary course of its operations. The City has made provision for certain uninsured claims in its self-insurance liability reserve, but has made no specific provision for those where the outcome is presently indeterminable.

(e) Property Assessment Appeals

As at December 31, 2001, there were various property assessment appeals pending with respect to properties. The outcome of those appeals may result in adjustments to property taxes receivable for the current and prior years. The City makes an annual provision against property taxes receivable for the impact of appeals including specific provision where the results of an appeal are reasonably determinable, and general provision for those where the outcome is presently indeterminable.

8. CONTINGENCIES AND COMMITMENTS - continued

(f) Mortgage Debentures Payable

Mortgage debentures payable on the Library Square Project have an interest rate of 9.875% per annum compounded semi-annually and a 28-year term maturing January 14, 2021, with principal repayments which commenced in 1996. The debentures are secured by a first charge on the land and any proceeds from the sale of the land on which the office building is situated, the office building and any improvements to it including machinery, plant and equipment, and any proceeds of the lease of the office building.

The City has executed a 25-year lease of the office building with the Federal Government which commenced April 30, 1995. Annual lease payments of $6.7 million will fully offset debenture principal and interest payments. The lease provides options to purchase the office building at the end of the 10th and 20th years and at the end of the lease term.

Principal payments on the mortgage debentures over the next 5 years and thereafter are as follows

2002	$ 1,113
2003	1,223
2004	1,352
2005	1,485
2006	1,636
Thereafter	51,085
	$ 57,894

9. RESERVES

These amounts are set aside by Council resolution for specific purposes:

	2000 Restated Note 2	Change During Year	2001
Plant and Equipment	$ 32,976	2,759	$ 35,735
Utility Rate Stabilization	9,647	7,282	16,929
Self-insurance	18,609	(566)	18,043
Community Amenities	4,535	2,407	6,942
Capital Facilities	9,738	371	10,109
Senior Housing	2,017	-	2,017
Emerging Neighbourhood	3,593	-	3,593
Civic Theatres	2,270	-	2,270
Parking Sites	17,975	(2,493)	15,482
Solid Waste Capital	39,275	3,879	43,154
Mortgage Debenture Retirement	1,727	87	1,814
Art Gallery Operations	3,574	-	3,574
Outstanding Commitments	4,131	67	4,198
Future Revenue Fund Budgets	4,067	2,141	6,208
Other	9,108	3,138	12,246
	$ 163,242	$ 19,072	$ 182,314

10. TRUST FUNDS

The following trust funds and assets are administered by the City:

	2001	2000
Cemetery Perpetual Care	$ 2,809	$ 2,790
Library	386	408
Atrium	305	304
General	265	308
	$ 3,765	$ 3,810

11. LONG TERM DEBT

Debenture debt is shown at its face amount. The City does not carry debt issued by other organizations.

Maturing In	General (Including Waterworks)	Local Improvments (Property Owners' Share)	Total Outstanding
2002	$ 64,707	$ 2,595	$ 67,302
2003	60,111	2,503	62,614
2004	15,557	2,364	17,921
2005	9,028	2,274	11,302
2006	109,496	2,101	111,597
Thereafter	231,073	9,089	240,162
Total	489,972	20,926	510,898
Internally held	(156,039)	(20,926)	(176,965)
Net external debt	$ 333,933	$ -	$ 333,933

The rates of interest payable on the principal amount of the debentures vary between 5.25% and 14% per annum. The average rate of interest payable for the year ended December 31, 2001 approximates 6.96%. The average rate of interest payable for externally held debt is 6.32%. All debentures are payable in Canadian funds.

12. EXPENDITURES BY OBJECT

	2001	2000 Restated Note 2
Wages, salaries and benefits	469,660	433,235
Contract services	77,853	62,229
Supplies, material and equipment	173,282	207,373
Debt charges	21,264	19,720
	$ 742,059	$ 722,557

13. SUBSEQUENT EVENT

On April 11, 2002, Council approved a bylaw for the issue of $100 million non-callable serial debentures in the Canadian market to finance the capital expenditure program. The debentures carry coupon rates increasing from 3.59% in year 1 to 6.125% in year 10. Interest is payable semi-annually with maturity dates commencing April 17, 2003 and continuing until April 17, 2012.

CITY OF VANCOUVER
Revenue Fund
Schedule of Financial Activities
Year Ended December 31, 2001
($000s)

	2001 Budget	2001	2000 Restated Note 2
REVENUES			
Property taxes, penalties and interest	$ 411,439	$ 413,610	$ 409,200
Water fees	55,620	56,487	54,647
Solid waste fees	30,499	31,770	32,702
Sewer fees	26,778	28,831	12,717
Other fees, rates and cost recoveries	123,398	136,154	128,107
Revenue sharing, grants and contributions	6,060	6,188	8,861
Investment income	11,400	16,078	13,595
Rental and lease income	21,499	22,119	20,396
	686,693	711,237	680,225
EXPENDITURES			
General government	61,907	62,020	62,735
Police protection	128,688	133,126	126,252
Fire protection	71,606	69,981	67,556
Engineering	60,688	57,818	49,263
Water utility	41,275	39,303	38,040
Solid waste	29,764	29,774	27,291
Sewer utility	46,476	44,916	44,008
Planning and development	54,374	54,964	48,889
Recreation and parks	74,925	74,505	66,135
Community and cultural services	52,455	53,903	49,558
	622,158	620,310	579,727
NET REVENUES	64,535	90,927	100,498
DEBT, TRANSFERS AND OTHER			
Debt principal repayments	(17,899)	(17,942)	(27,475)
Transfers			
Net transfers to other funds	(42,371)	(56,972)	(62,050)
Net transfers to reserves	(4,265)	(15,228)	(10,110)
Change in obligations to be funded from future revenues	-	(32)	(90)
	(64,535)	(90,174)	(99,725)
CHANGE IN FUND BALANCE	-	753	773
FUND BALANCE			
Beginning of year	6,761	6,761	5,988
End of year	$ 6,761	$ 7,514	$ 6,761

CITY OF VANCOUVER
Capital Fund
Schedule of Financial Activities
Year Ended December 31, 2001
($000s)

	2001	2000 Restated Note 7
REVENUES		
Fees, charges and recoveries	$ 26,622	$ 19,031
Grants and contributions	5,193	3,174
Property sale	180	6,368
	31,995	28,573
EXPENDITURES		
Capital expenditures		
General government	10,330	16,543
Police protection	1,978	9,435
Fire protection	1,786	2,993
Engineering	33,040	48,306
Sewer utility	22,316	21,279
Water utility	24,360	18,011
Recreation and parks	12,632	17,692
Community and cultural services	4,466	1,651
	110,908	135,910
NET EXPENDITURES	(78,913)	(107,337)
DEBT AND TRANSFERS		
Debt issued	80,000	2,978
Transfers		
Net transfers (to) from reserves	(2,612)	7,713
Net transfers from other funds	25,482	30,725
	102,870	41,416
CHANGE IN FUND BALANCE	23,957	(65,921)
FUND BALANCE		
Beginning of year	(114,917)	(48,996)
End of year	$ (90,960)	$ (114,917)

CITY OF VANCOUVER
Capital Financing Fund
Schedule of Financial Activities
Year Ended December 31, 2001
($000s)

	2001	2000
REVENUES		
Investment income	$ 6,227	$ 6,331
TRANSFERS		
Net transfer from Revenue Fund	4,623	8,552
Net transfer from Property Endowment Fund	515	-
Net transfer from Capital Fund	1,354	186
Net transfer to reserves	(4,044)	(6,723)
	2,448	2,015
CHANGE IN FUND BALANCE	8,675	8,346
FUND BALANCE		
Beginning of year	142,255	133,909
End of year	$ 150,930	$ 142,255

CITY OF VANCOUVER
Sinking Fund
Schedule of Financial Activities
Year Ended December 31, 2001
($000s)

	2001	2000
REVENUES AND EXPENDITURES		
Investment income	$ 11,912	$ 11,093
Administration expenses	78	51
	11,834	11,042
DEBT AND TRANSFERS		
Debt repayments	(48,338)	(8,000)
Transfers		
Net transfer from Revenue Fund	26,192	24,290
Net transfer (to) from reserves	10,616	(28,382)
	(11,530)	(12,092)
CHANGE IN FUND BALANCE	304	(1,050)
FUND BALANCE		
Beginning of year	3,334	4,384
End of year	$ 3,638	$ 3,334

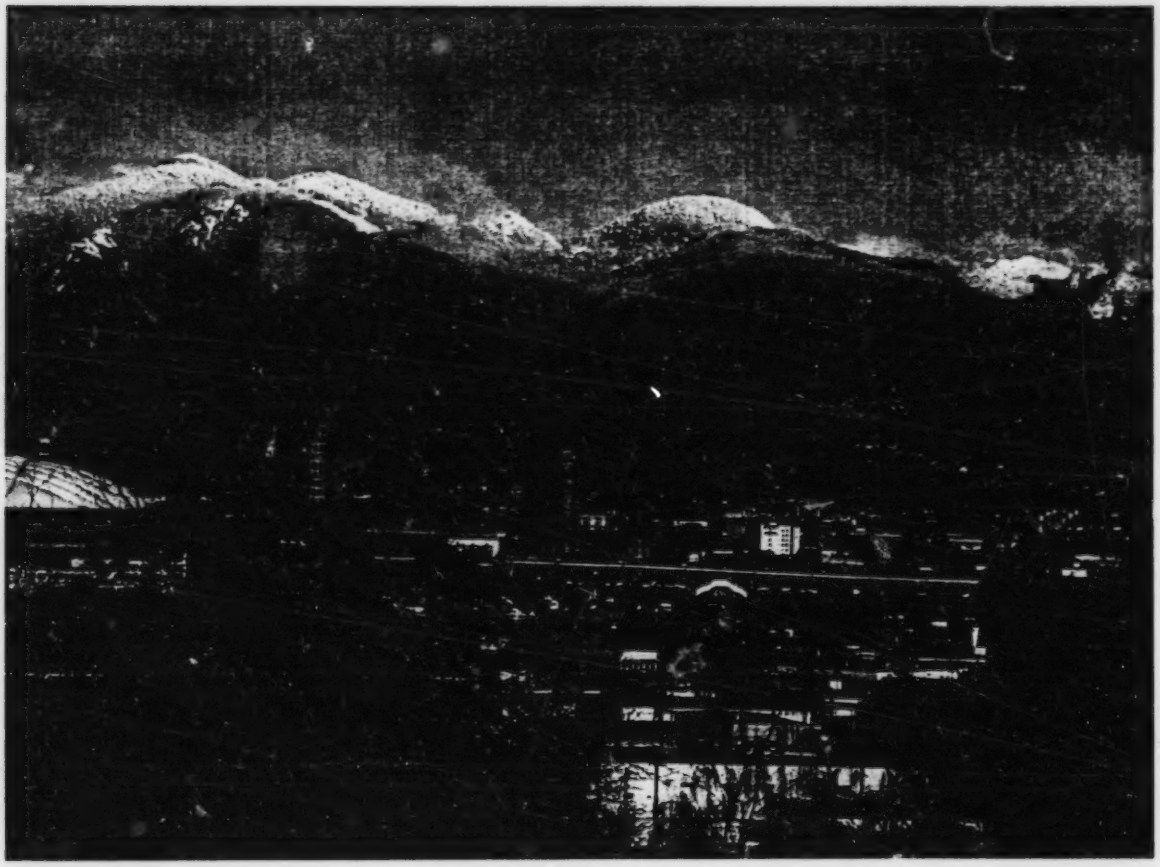
CITY OF VANCOUVER
Property Endowment Fund
Schedule of Financial Activities
Year Ended December 31, 2001
($000s)

	2001			2000
OPERATIONS				
	Revenue	**Expenses**	**Net**	**Net**
Rental and leases	$ 15,104	$ 4,403	$ 10,701	$ 9,385
Parking	15,008	12,549	2,459	1,434
Water moorage	742	489	253	405
Property sales	1,295	462	833	50
	$ 32,149	$ 17,903	14,246	11,274
Interest income			4,265	4,561
Miscellaneous income			501	87
			19,012	15,922
Expenses				
Administration			1,644	1,363
Capital expenditures			-	211
Other operating			2,386	560
			4,030	2,134
NET REVENUES			14,982	13,788
TRANSFERS				
Net transfer (to) from reserves			2,494	(5,434)
Transfer to Revenue Fund			(7,000)	(7,000)
Net transfer from Revenue Fund			343	-
Net transfer from Capital Fund			6,105	3,468
Net transfer to Capital Financing Fund			(515)	-
			1,427	(8,966)
CHANGE IN FUND BALANCE			16,409	4,822
FUND BALANCE				
Beginning of year			239,289	234,467
End of year			$ 255,698	$ 239,289

CITY OF VANCOUVER
Utilities
Schedule of Financial Activities *
Year Ended December 31, 2001
($000s)

SOLID WASTE UTILITY	2001	2000
REVENUES		
Fees and service charges	$ 31,770	$ 32,702
EXPENDITURES AND TRANSFERS		
Garbage collection and disposal	10,801	10,145
Recycling	4,817	5,102
Composting	3,236	2,746
Commercial	10,004	8,523
Management and solid waste levy	916	775
	29,774	27,291
Transfers from other funds	(504)	(367)
Transfer to reserves	2,500	5,778
	$ 31,770	$ 32,702
WATER UTILITY		
REVENUES		
Fees and service charges	$ 56,487	$ 54,647
EXPENDITURES AND TRANSFERS		
Purchase of water	23,035	22,482
Water debt charges	9,695	9,752
Operations	6,573	5,806
	39,303	38,040
Debt principal repayments	3,807	6,663
Transfer to Sinking Fund	8,462	8,522
Transfer to reserves	4,915	1,422
	$ 56,487	$ 54,647
SEWER UTILITY		
REVENUES		
Fees and service charges	$ 28,831	$ 12,717
Contribution from property taxes	31,740	45,062
	$ 60,571	$ 57,779
EXPENDITURES AND TRANSFERS		
Contribution to Joint Sewerage Board	31,544	29,745
Sewer debt charges	9,377	9,477
Operations	3,995	4,786
	44,916	44,008
Debt principal repayments	3,398	7,389
Transfer to Sinking Fund	7,586	7,768
Transfer to (from) reserves and other funds	4,671	(1,386)
	$ 60,571	$ 57,779

* These amounts have been reported as part of the Revenue Fund Schedule of Financial Activities.



SUPPLEMENTARY FINANCIAL INFORMATION

2001

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Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Telefax (604) 691-3031
www.kpmg.ca

COMMENTS ON SUPPLEMENTARY FINANCIAL INFORMATION

We have reported to the Mayor and Members of Council on our examination for the purpose of expressing an opinion on the consolidated financial statements of the City of Vancouver for the year ended December 31, 2001.

We do not express an opinion on the following management prepared schedules since our examination did not extend to the detailed information therein.

KPMG LLP

Chartered Accountants

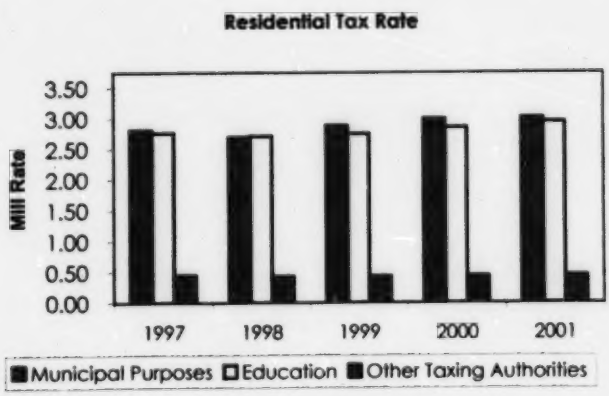
Vancouver, Canada

April 12, 2002

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association.

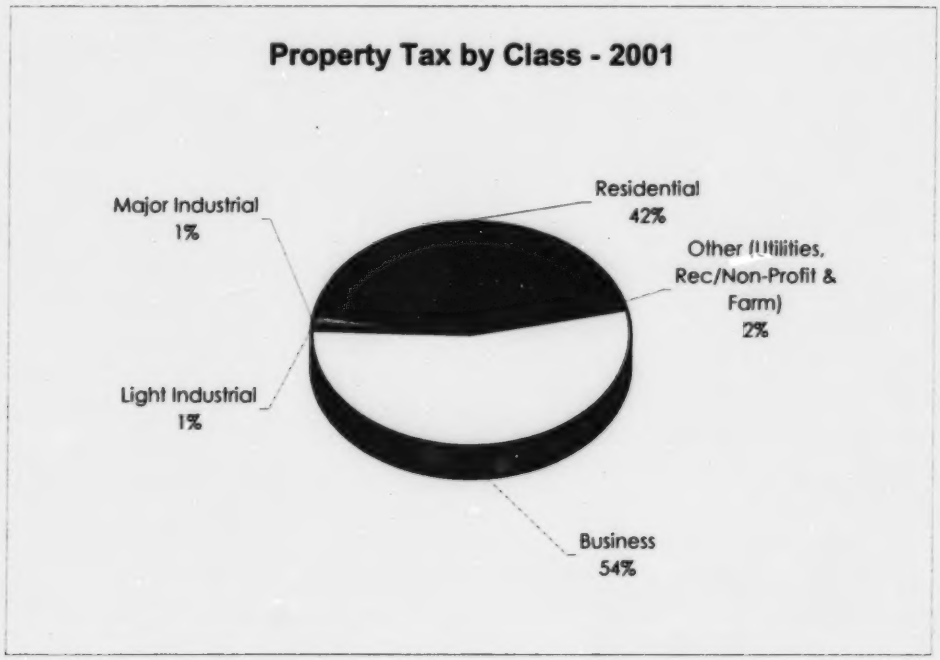
FIVE YEAR STATISTICAL REVIEW - TAXATION
Year Ended December 31, 2001

	2001	2000	1999	1998	1997
Property Assessment ($000s)					
Rateable property general purposes	65,917,550	64,557,937	64,933,120	67,891,370	67,094,019
Tax Rates – Rate per $1,000 of Assessment					
Residential					
Municipal purposes	3.01093	2.99466	2.88336	2.69716	2.81166
Education	2.94593	2.85424	2.75010	2.71581	2.76356
Other taxing authorities	0.44698	0.43302	0.42980	0.43012	0.44570
Total Residential	6.40384	6.28192	6.06326	5.84309	6.02092
Business/Other					
Municipal purposes	14.82695	14.87354	14.89519	14.50659	14.52629
Education	9.87587	9.85529	9.88871	10.02750	9.98118
Other taxing authorities	2.09721	2.09208	2.10777	2.10449	2.14520
Total Business/Other	26.80003	26.82091	26.89167	26.63858	26.65267
Major Industrial					
Municipal purposes	29.72034	30.54048	30.72090	28.89742	30.99280
Education	12.50000	12.50000	12.50000	12.50000	12.50000
Other taxing authorities	3.13486	3.16417	3.14470	3.09562	3.15609
Total Major Industrial	45.35520	46.20465	46.36560	44.49304	46.64889
Light Industrial					
Municipal purposes	14.86333	14.94131	28.80943	27.84121	27.37217
Education	9.90000	9.90000	9.90000	9.90000	9.90000
Other taxing authorities	2.78146	2.78917	2.80550	2.77112	2.81229
Total Light Industrial	27.54479	27.63048	41.51493	40.51233	40.08446
Total Utilities	48.06845	48.02345	48.92101	47.42515	48.70888
Total Recreational/Non-Profit	7.97683	8.07069	7.99325	7.67179	7.74553
Total Farm – All Purposes	10.30773	10.39959	10.32445	10.00429	10.07583



FIVE YEAR STATISTICAL REVIEW - TAXATION
Year Ended December 31, 2001

	2001	2000	1999	1998	1997
Population *	571,700	565,500	558,100	551,700	546,800
Property Tax Revenue by Property Class (%)					
Residential - Class 1	41.8	42.7	42.3	41.8	42.9
Business - Class 6	54.2	53.4	53.9	54.0	52.6
Major industrial - Class 4	1.3	1.3	1.3	1.5	1.2
Light industrial - Class 5	1.0	0.9	0.9	0.8	1.4
Other (Utilities, Rec/Non-Profit and Farm)	1.7	1.7	1.6	1.9	1.9
Total	100.0	100.0	100.0	100.0	100.0



Property Taxation - Levy and Collections					
Total tax levy (all purposes) (000s)	$783,315	$767,289	$750,066	$734,009	$688,184
Total tax arrears outstanding (000s)	$38,333	$38,206	$41,217	$34,566	$23,958
% of current collections to current levy	99.31%	98.90%	98.40%	98.20%	97.90%
% of total collections to current levy	102.42%	102.30%	100.60%	100.20%	99.90%

*Source: Population Section, B.C. Stats
Ministry of Management Services, Government of British Columbia

NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES ($000s)
Year Ended December 31, 2001

The City is required to collect taxes on behalf of and transfer these amounts to the government agencies listed below:

	2001	2000 Restated
Taxes collected:		
Property and business taxes	$ 738,856	$ 723,605
Payment in lieu of taxes	29,034	23,301
Hotel tax	8,236	8,366
Local improvement levies	4,407	4,633
	780,533	759,905
Less taxes collected on behalf of:		
Province of British Columbia - School Taxes	310,800	297,277
Greater Vancouver Transportation Authority	33,792	32,018
B.C. Assessment Authority	12,066	11,701
Greater Vancouver Regional District	10,246	9,691
Municipal Finance Authority	19	18
	366,923	350,705
NET TAXES - MUNICIPAL PURPOSES	$ 413,610	$ 409,200

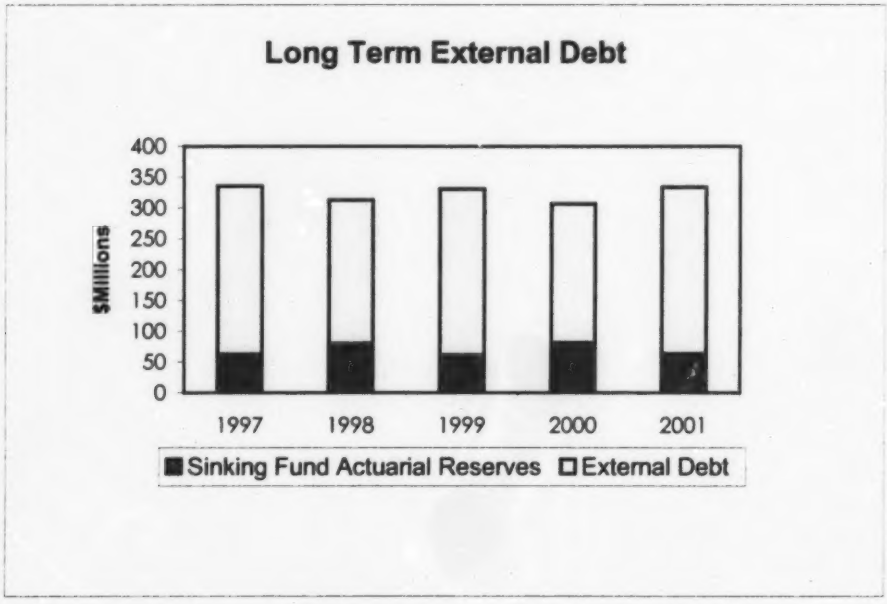
STATEMENT OF TAX RECEIPTS AND PROPERTY TAXES RECEIVABLE ($000s)
Year Ended December 31, 2001

	2001	2000
Analysis of Tax Receipts and Receivables		
Balance, before allowance for tax write-offs, beginning of year	$ 38,206	$ 41,217
Add: Interest and adjustments (net)	2,635	1,571
	40,841	42,788
Less: Receipts	(23,935)	(26,080)
Outstanding - prior years	16,906	16,708
Current tax levy including utility and other charges	783,771	767,310
Less : Receipts	(763,321)	(746,848)
Current arrears	20,450	20,462
Add: Penalties on current arrears	978	1,036
Outstanding - current year	21,428	21,498
Balance, before allowance for tax write-offs, end of year	$ 38,334	$ 38,206
Analysis of Property Taxes Receivable by Year		
Current year	$ 21,428	$ 21,498
Prior year	9,991	9,997
Prior 2 year	6,915	6,711
	38,334	38,206
Less: allowance for tax write-offs	(2,964)	(2,422)
Balance, after allowance for tax write-offs, end of year	$ 35,370	$ 35,784

REVENUE FUND - OTHER FEES, RATES AND RECOVERIES ($000s)
Year Ended December 31, 2001

	2001 Budget	2001	2000 Restated
Permits and licences			
Business	$9,200	$9,423	$8,888
Dog	565	530	558
False Alarm Reduction Programme	1,060	1,151	1,152
Other	724	720	689
	11,549	11,824	11,287
Municipal by-law fines	9,308	9,223	8,857
Service and inspection fees			
Development permits	4,291	4,231	3,458
Building permits	4,027	4,177	3,669
Plumbing inspection	2,477	2,867	2,488
Electrical inspection	2,300	2,326	2,242
Other	4,839	5,474	4,924
	17,934	19,075	16,781
On street parking	14,575	16,279	14,290
Sundry fees and services			
Recovery - Greaer Vancouver Transit Authority	1,530	1,589	2,268
Provincial school tax administration fee	295	301	295
Utility company access	1,575	1,965	748
Other	2,096	2,061	1,959
	5,496	5,916	5,270
Departmental revenues			
Parks and recreation - general operations	28,871	29,494	25,051
Britannia Community Services	709	560	478
Libraries	4,002	6,316	5,923
Civic theatres	5,356	5,180	4,884
General government	2,046	5,142	6,000
Fire	4,594	4,810	6,631
Police	8,484	9,076	8,989
Engineering	4,258	5,849	6,894
Community services	6,216	7,410	6,772
	64,536	73,837	71,622
TOTAL	$123,398	$136,154	$128,107

	2001	2000	1999	1998	1997
Long Term Debt ($000s)					
Debenture debt outstanding	510,898	496,140	527,721	476,410	529,170
Less: Internally held debt	(176,965)	(188,882)	(196,487)	(163,128)	(193,508)
Externally held debt	333,933	307,258	331,234	313,282	335,662
Sinking Fund actuarial reserves	62,680	80,772	60,931	79,727	62,187
Net externally held debt	271,253	226,486	270,303	233,555	273,475
Debt per capita ($ externally held)	584.11	543.34	593.50	567.85	613.87



Capital expenditures ($000s)	110,908	137,024	160,036	141,173	133,708
Internally restricted reserves ($000s)	182,314	159,817	145,061	150,990	146,154

CHANGES IN DEBENTURE DEBT OUTSTANDING ($000s)
Year Ended December 31, 2001

	Externally Held	Internally Held	Total
Balance, beginning of year	$ 307,258	$ 188,882	$ 496,140
Add: Debentures issued during 2001			
General and water (Price $100, Rate 5.85%)	80,000	-	80,000
	387,258	188,882	576,140
Less: Maturities			
General and water	53,325	9,317	62,642
Local improvements	-	2,600	2,600
	53,325	11,917	65,242
Balance, end of year	$ 333,933	$ 176,965	$ 510,898

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON DEBT ($000s)
Year Ended December 31, 2001

Total Debt (Internal and External)

	General			Waterworks			Local Improvements Property Owners' Share			Total General & Waterworks and Local Improvements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2002	$ 49,096	$ 4,588	$ 53,684	$ 15,611	$ 1,385	$ 16,996	$ 2,595	$ 225	$ 2,820	$ 67,302	$ 6,198	$ 73,500
2003	41,089	3,378	44,467	19,022	1,595	20,617	2,503	218	2,721	62,614	5,191	67,805
2004	11,412	520	11,932	4,145	191	4,336	2,364	206	2,570	17,921	917	18,838
2005	6,541	368	6,909	2,487	140	2,627	2,274	194	2,468	11,302	702	12,004
2006	77,560	5,696	83,256	31,936	2,350	34,286	2,101	173	2,274	111,597	8,219	119,816
2007-2011	167,944	9,926	177,870	63,128	3,733	66,861	7,095	524	7,619	238,167	14,183	252,350
Thereafter	-	-	-	-	-	-	1,993	128	2,121	1,993	128	2,121
	$ 353,642	$ 24,476	$ 378,118	$ 136,329	$ 9,394	$ 145,723	$ 20,925	$ 1,668	$ 22,593	$ 510,896	$ 35,538	$ 546,434

External Debt Only

	General			Waterworks			Total General & Waterworks		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2002	$ 10,796	$ 642	$ 11,438	$ 3,911	$ 231	$ 4,142	$ 14,707	$ 873	$ 15,580
2003	11,089	678	11,767	4,022	245	4,267	15,111	923	16,034
2004	11,412	520	11,932	4,145	191	4,336	15,557	711	16,268
2005	6,541	368	6,909	2,487	140	2,627	9,028	508	9,536
2006	77,561	5,696	83,257	31,935	2,350	34,285	109,496	8,046	117,542
2007-2011	126,906	7,504	134,410	43,128	2,553	45,681	170,034	10,057	180,091
Thereafter	-	-	-	-	-	-	-	-	-
	$ 244,305	$ 15,408	$ 259,713	$ 89,628	$ 5,710	$ 95,338	$ 333,933	$ 21,118	$ 355,051

CAPITAL FINANCING PLANS ($000s)
Year Ended December 31, 2001

General borrowing is approved by the electors. Sewer and Water borrowing is approved by Council.

	Amount Authorized	Debentures Issued to Dec 31, 2001	Balance
General (excluding Sewer and Water)			
1991 - 1993	$ 80,400	$ 80,400	$ -
1994 - 1996	84,700	84,474	226
1997 - 1999	83,383	83,383	-
2000 - 2002	85,955	36,050	49,905
	$ 334,438	$ 284,307	$ 50,131
Sewer and Water			
1991 - 1993	$ 83,890	$ 83,890	$ -
1994 - 1996	98,970	98,970	-
1997 - 1999	111,117	111,117	-
2000 - 2002	109,995	35,365	74,630
	$ 403,972	$ 329,342	$ 74,630
Total General, Water and Sewer			
1991 - 1993	$ 164,290	$ 164,290	$ -
1994 - 1996	183,670	183,444	226
1997 - 1999	194,500	194,500	-
2000 - 2002	195,950	71,415	124,535
	$ 738,410	$ 613,649	$ 124,761

GENERAL STATISTICS
Year Ended December 31, 2001

Land Area (hectares)	11,396	
Public Schools		
Schools and annexes	108	
Pupils	58,588	
Teachers (F.T.E.)	3,522	
Waterworks		
Annual consumption (cubic metres)	124.5	
Number of services - metered	13,751	
- flat rate	82,746	
Total number of services	96,497	
Kilometres of water main	1,468	
Parks and Recreation Facilities		
Public Parks	193	(1,278.9 hectares)
Beaches	11	
Swimming Pools	15	
Golf Courses	6	
Recreation Facilities	35	
Tennis Courts	181	
Miscellaneous Recreational Facilities	13	

	2001	2000	1999	1998	1997
Value of Building Permits ($000s)	1,119,043	823,322	803,144	848,846	1,100,861
Roads and Sewers (kilometres)					
Permanent street pavements	1,215	1,213	1,209	1,205	1,200
Permanent lane pavements	582	574	571	568	560
Temporary asphaltic surfaces	178	173	177	181	186
Cement concrete sidewalks	2,055	2,050	2,048	2,046	2,041
Gravelled lanes	115	123	126	129	137
Sewers	1,951	1,942	1,932	1,920	1,909
Health Statistics (per 1,000 population)					
Death rate	7.08	6.72	6.96	7.28	7.55
Birth rate	10.31	10.15	10.04	9.80	11.40
Increase in births over deaths	3.23	3.43	3.08	2.52	3.85
Increase (decrease) in death rate	0.36	(0.24)	(0.32)	(0.27)	(0.43)
Increase (decrease) in birth rate	0.16	0.11	0.24	(1.60)	(0.35)
Marriages	6.68	6.56	6.80	6.64	7.44
Per 1,000 live births					
Infant mortality rate	2.49	4.16	4.88	4.86	5.34
Stillbirths	7.99	9.36	7.33	5.94	8.51